



# ENERGY ASSURANCE DAILY

Tuesday, August 01, 2006

## ***Electricity***

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### **Distribution Failures Knock Out Power to 41,000 Customers in Chicago Area July 31**

In Joliet Illinois, 22,000 ComEd customers lost power on Monday afternoon and another 19,000 lost their power later in the same evening. A ComEd spokesperson said 13 distribution lines feeding into the company's Hillcrest substation locked out. A new unofficial peak record of electricity use was set Monday afternoon with 23,519 MW.

[http://www.suburbanchicagonews.com/heraldnews/top/4\\_1\\_JO01\\_POWER\\_S10801.htm](http://www.suburbanchicagonews.com/heraldnews/top/4_1_JO01_POWER_S10801.htm)

### **Storms Knock Out Power to 40,000 in Eastern Pennsylvania July 30**

The outages were in Duquesne Light's service territory.

[http://www.timesonline.com/site/news.cfm?newsid=16988064&BRD=2305&PAG=461&dept\\_id=478569&rfti=6](http://www.timesonline.com/site/news.cfm?newsid=16988064&BRD=2305&PAG=461&dept_id=478569&rfti=6)

### **Northeast Grid Operators Say Rolling Blackouts Not Expected as Heat Wave Approaches**

While distribution cables could fail causing blackouts in some regions, grid operators do not expect to initiate rolling blackouts due to a shortage of power supply. The New York ISO has said that its power grid should hold up during what could be record electricity demand on Tuesday and Wednesday. The New York ISO did not call any "demand response" programs on Monday but said they were possible on Tuesday and Wednesday. Demand response programs call for large consumers such as factories to cut power during periods of peak demand. Although ISO New England does not expect a lack of supply, it is requesting that consumers voluntarily conserve electricity as a prudent, precautionary measure to help keep supply and demand in balance.

Reuters, 10:53 August 1, 2006

Reuters, 16:04 July 31, 2006

### **Distribution Failures Could Lead to NYC Blackouts as Heat Wave Approaches**

There is an increased risk that distribution cable failures will result in blackouts in New York City during the heat wave this week because Con Edison's electricity system was "stressed" last week due to cable breakdowns that caused 25,000 customers to lose power. Con Edison has asked its 3.2 million customers to ease power usage. The utility said it was ready to turn on back up power generators at city buildings to relieve the power grid if necessary.

Bloomberg News, 16:28 July 31, 2006

Bloomberg News, 12:36 August 1, 2006

### **Output Reduced by 19 Percent at Exelon's 1,734 MW Quad Cities Nuclear Station in Illinois Aug. 1**

The company said that each of its 867 MW Quad Cities units were producing about 700 MW each after the reduction. The reduction is due to elevated temperatures on the Mississippi River, which the plant uses for cooling.

Reuters, 12:44 August 1, 2006

### **Update: AEP Shut Cook 1 Nuke in Michigan Due to Heat on July 30**

The 1,016 MW Unit 1 was shut because of elevated temperatures in the containment building. Higher lake water temperatures cut the efficiency of the ventilation system. Over the weekend, Xcel Energy reduced power output at three Minnesota nuclear plants due to high temperatures.

Bloomberg News, 13:33 and 19:20 July 31, 2006

### **TVA's 1,121 Watts Bar Nuke in Tennessee Shut July 31**

Reuters, 12:20 August 1, 2006

**Update: Southern's 869 MW Hatch Nuke Unit in Georgia Ramps Up to 96 Percent Aug. 1**

On Sunday when a faulty relay switch signaled that a recirculation pump should be reduced to 33 percent. When the company found out the switch was faulty, they replaced the switch and began ramping up output. The unit was operating at 43 percent yesterday.

Reuters, 06:59 August 1, 2006

**Update: DTE's 1,111 MW Fermi 2 Nuke Unit in Michigan Exits Outage Aug. 1**

The unit, which shut due to loss of off-site power on July 29, exited an outage today, reconnected to the grid and ramped up to 25 percent of capacity. The unit is expected to rise to full output by early tomorrow.

Reuters, 12:30 August 1, 2006

**Update: Energy Northwest's 1,190 MW Columbia Nuke in Washington Back at Full Power July 29**

The plant lowered generation to 62 percent of capacity last week after a hose failed and leaked coolant, causing a recirculation pump to shut down. New hoses have been installed.

Bloomberg News, 16:40 July 31 2006

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**Petroleum**

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**Valero to Complete 75,000 b/d Expansion at Port Arthur, Texas Refinery in November**

The 75,000 b/d expansion will boost capacity to 325,000 b/d. The expansion is to be complete in November 2006.

Reuters, 11:14 August 1, 2006.

**Iraq Northern Oil Pipeline Hit by Sabotage Attack**

Iraq's northern pipeline to Turkey was hit by a sabotage attack on July 31, just two days after Oil Minister Hussain al-Shahristani said that damage to the northern pipelines had been repaired and that the lines would start exporting soon. The attack will delay the restart of crude oil exports. Shahristani said Iraq would export around 600,000 - 700,000 b/d from the north once pumping is resumed; however an industry source said that was highly unlikely and expected Iraq could only pump between 250,000 to 300,000 b/d from the north.

Reuters, 09:16 August 1, 2006.

**Update: 23,000 b/d of Chevron's Oil Production in Nigeria Affected by Recent Attack on Shell's Nigerian Pipeline**

Chevron Nigeria reports that a recent attack on a Shell pipeline in the Niger Delta, which caused Shell to declare a force majeure on 180,000 b/d, affected Chevron's production of 23,000 b/d. Chevron uses the Shell pipeline to send oil to the Bonny Terminal. Nigeria's total shut-in production is now 715,000 b/d.

<http://www.marketwatch.com/News/Story/Story.aspx?dist=newsfinder&siteid=google&guid=%7B77A9E8EF-8EA6-4313-B714-6251C06775BD%7D&keyword=>

**Update: 11,000 Gallons of Oil Spilled in Russia Forcing Closure of Export Pipeline; Oil Prices Rise**

According to officials, approximately 11,000 gallons of oil were spilled, covering an area of approximately six square miles, when the Druzhba pipeline in the western Bryansk region of Russia ruptured July 29. The pipeline with a capacity of 1.2 million b/d was closed boosting world crude oil prices. Initially the size and extent of damage to the environment were in dispute, however, later both government officials and ecologists publicly agreed to label the incident as minor. According to one local official approximately 9,000 gallons have been recovered.

<http://edition.cnn.com/2006/WORLD/europe/07/31/russia.oilspill/>

[http://www.nytimes.com/2006/07/31/world/europe/31cnd-russia.html?\\_r=1&oref=slogin](http://www.nytimes.com/2006/07/31/world/europe/31cnd-russia.html?_r=1&oref=slogin)

<http://www.regnum.ru/english/681614.html>

## Natural Gas

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### Natural Gas Prices Rose 14 Percent with U.S Heat Wave

Record temperatures throughout much of the U.S. resulted in a sharp increase in demand for natural gas to produce the electricity to meet the demand. Consequently, gas was withdrawn from storage, a highly unusual occurrence for this time of year. In turn, the gas markets reacted sending sharply higher. Despite the drawdown, US natural-gas inventories remain high by historical standards.

<http://www.ft.com/cms/s/da3461c4-20d2-11db-8b3e-0000779e2340.html>

### Update: Questar's Overthrust Pipeline Files at FERC for Extension of Rockies Express

Questar Corp.'s Overthrust Pipeline has filed an application at FERC for an 80-mile extension to the Rockies Express project. The 1,663-mile, 42-inch diameter pipeline will transport natural gas supply to the Midwest and East.

<http://intelligencepress.com/subscribers/daily/news/d20060731f.html>

## Other News

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### Over 80 Stakeholders Join National Action Plan for Energy Efficiency by DOE, EPA

On August 1, the National Action Plan was introduced at the National Association for Regulatory Utility Commissioners (NARUC)'s meeting facilitated by DOE and EPA. More than 80 energy, environmental, and other organizations and utilities announced commitments and public statement in support of the Plan, which will help, conserve and use energy more wisely.

<http://sev.prnewswire.com/oil-energy/20060731/DCM05531072006-1.html>

<http://intelligencepress.com/subscribers/daily/news/d20060801d.html>

<http://biz.yahoo.com/prnews/060731/sfm104.html?v=55>

## Energy Prices

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U.S. Oil and Gas Prices			
August 1, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	74.95	73.40	58.10
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	8.66	6.78	7.38

Source: Reuters

## Energy Notes

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### 15,000 We Energies Customers in Wisconsin Lost Power July 30

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6972136](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6972136)

### Major Shopping Center in California Lost Power July 30 Due to Cable Failure

[http://www.venturacountystar.com/vcs/co\\_valley/article/0.1375.VCS\\_166\\_4882559.00.html](http://www.venturacountystar.com/vcs/co_valley/article/0.1375.VCS_166_4882559.00.html)

### PJM Warns of Possible 10 MW Power Reduction in S. Ohio Monday

Reuters, 17:33 July 31, 2006

### **Solar Power in California on Rise – Increases from 3 to 177 MW Since 2000**

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BiiowoltYVhc%7DGJ%7BbfeI%5Dv>

### **Louisiana Requests Preliminary Injunction to Halt Gulf of Mexico Lease Sale**

<http://intelligencepress.com/subscribers/daily/news/d20060731c.html>

### **Update: Shell Canada Seeks Partners for Costly Athabasca Expansion in Alberta**

[http://www.energyintel.com/DocumentDetail.asp?document\\_id=181265](http://www.energyintel.com/DocumentDetail.asp?document_id=181265)

### **Update: Preliminary Results of Environmental Assessment Show No Active Tritium Leaks at Exelon Nuclear Plants; Weak Levels Contained on Sites**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6974871](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6974871)

### **NJ Newspaper Analysis Finds Problems With Hot Line Program Designed to Prevent Gas Line Ruptures**

<http://www.newsday.com/news/local/wire/newjersey/ny-bc-nj--onecallprogram0730jul30.0.3525337.story?coll=ny-region-apnewjersey>

### **Nigerian Oil Production May Exceed 3 Million BPD by End of 2006**

Bloomberg, 07:13 August 1, 2006.

### **Shell Hopes to Restart EA Oilfield in Nigeria Before Election in April 2007**

Reuters, 09:36 August 1, 2006.

### **Analysts Predict Decrease in Canadian Exports to U.S. Due to Oil Sands Demand**

[http://pro.energycentral.com/professional/news/gas/news\\_article.cfm?id=6976256](http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6976256)

### **40 mph Tropical Storm Chris to Head Toward Gulf of Mexico**

Bloomberg, 13:54 August 1, 2006.

## **Links**

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***This Week in Petroleum*** from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

## **ENERGY ASSURANCE DAILY**

*Energy Assurance Daily* provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

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